

## FIRE PROTECTION SERVICE ASSESSMENT

[Click here](#) to see the dollar amount of the proposed fire services special assessment attributable to each assessed tax parcel in the City of Springfield.

The City of Springfield has established a dedicated funding source for the provision of fire protection services and facilities through the imposition of non-ad valorem assessments, sometimes referred to as special assessments, against certain real property located within the City limits. Consideration of special assessments was initially necessitated by the threatened downgrading of the City's overall fire rating by Insurance Services, Inc. ("ISO"). The consequence of an ISO downgrade likely would have led to significant property insurance premium increases or casualty policy cancelations for property owners within the City. ISO standards suggest deployment of four responders to every fire-related call as well as certain training criteria that the City could not without creating the Fire Service Assessment meet funding resource.

Please remember, Springfield is one of very few municipalities in Florida that does not impose property taxes.

By correspondence dated October 4, 2012, ISO informed the City that the fire department's staffing levels and training were inadequate and the fire department's public protection classification rating were likely to be downgraded from 6 to 10 unless the City undertook certain curative actions (including additional personnel hires and training). The threat of retrogression in ISO rating and the resulting increase in insurance premiums for many property owners in the City required the City Commission to immediately seek a means to fund the corresponding demands on its fire budget.

The City acted in early 2013, during a 'grace' period provided by ISO, and created a dedicated funding mechanism – the "Fire Service Assessments". These special assessments were allocated among assessable tax parcels according to a two tiered methodology pursuant to which a portion of the costs attributable to the City's continual readiness to provide fire protection services is now shared equally among all tax parcels on a per tax parcel basis (Tier 2), and a portion of the remaining costs is now shared in accordance with the relative value of improvements (not land)

for each tax parcel in the City as compared to the value of improvements for all tax parcels in the City (Tier 1).

The City Commission, recognizing that any system, metric or analytical view of appraising benefits or assessing costs will be open to some criticism or suggestion of alternative methods or approaches, educated itself as to the facts, analysis, and legal and policy latitudes available to it in determining the proposed dollar amount of the assessment attributed to each tax parcel. The City validated, in court, the use of assessment proceeds for financing capital buildings and fire equipment. In that judicial process, the Circuit Court of the Fourteenth Judicial Circuit of the State of Florida, for Bay County, said the benefits to property and method of apportionment and use to pay for such capital equipment and facilities were “for proper, legal and paramount public purposes and fully authorized by law.”

As part of this process, a second annual public hearing will be held at 5:00 p.m. on March 17, 2014 in the Springfield Community Center, 3728 East Third Street, Springfield, Florida 32401, to receive public comment on the proposed special assessments. All affected property owners have a right to appear at the hearing and to file written comments or objections with the City before or during the hearing. [Click here](#) to see a copy of the published notice of the public hearing.

The contemplated special assessment rates for both tiers will be for the same amount as last year, and offers a reasoned approach for cost sharing premised upon two distinct tiers or classes of assessment allocations: Tier 1 – a sharing of benefits, burdens and costs for budgeted fire protection services and facilities based upon the relative value of improvements for each tax parcel in the City as compared to the value of improvements for all tax parcels in the City; and, Tier 2 – a sharing of benefits, burdens and costs for budgeted fire protection services and facilities on a per tax parcel allocation premised upon maintaining a continual state of preparedness and readiness to serve. Each tax parcel within the City is already uniquely identified and assigned improvement values by the County Property Appraiser using a parcel identification or folio number. The City only uses data certified to the Florida Department of Revenue by law.

The special assessment will fund, in part, the costs associated with providing fire protection services and facilities each year. The remainder of the fire protection budget will be funded with other legally available revenues of the City. The combination of funding sources offers a

significant tax equity tool which will reduce dependence on the City's general fund alone as the sole source of funding for fire protection services, reduce the demand on the City's other legally available funds, and is intended to achieve a more equitable, balanced, sustainable and dedicated means of funding the City Fire Department's service mission over time.

The availability of a special assessment is but a single aspect of the annual budgetary process. A fire service assessment provides an equity tool to pay for costs that might otherwise be paid for with legally available general funds or the imposition of property taxes. The fire assessments are an equitable alternative to the use of property taxes. Whether, and to what extent, fire service assessment revenues are used is a part of the overall annual budget process each year. The fire service assessment is a means to create an annual funding source to deal with the service and funding shortfall identified by ISO.

The special assessment is an annual assessment which will continue from year to year. For the 2013-14 fiscal year, the assessment will be billed directly by the City to the property owner at the address shown on the records maintained by the County Tax Collector. This fall for fiscal year 2014-15, the assessment is expected to be collected pursuant to the tax bill collection method authorized by Section 197.3632, Florida Statutes, in which case the annual assessment may include fees imposed by the County Property Appraiser and Tax Collector and will be adjusted as necessary to account for any statutory discounts which are necessitated when employing the efficiencies of collecting the assessments annually on the same bill as property taxes. Together, these fees and discounts could equal as much as 8%.

If approved by City Commission at the conclusion of the public hearing, the special assessment for each tax parcel will equal the sum of (i) \$0.62 per \$1,000 of the value of improvements (not land value) attributed to the tax parcel by the County Property Appraiser's records (Tier 1) plus (ii) \$88.31 per tax parcel (Tier 2), together with a share of administration and collections costs associated with annual assessment estimated at \$4.56 per tax parcel. The dollar amount of the proposed special assessment attributable to each tax parcel is available by clicking [here](#) or by visiting the offices of the City Clerk (to view this same information on a computer terminal), located at City Hall, 3529 East Third Street, Springfield, Florida 32401.

Because the City has initially engaged in the use of the traditional direct billing method, many property owners have been slow to pay and are delinquent. A few have sought to make partial payments. The City is trying to do is be patient, but non-payment creates cash flow problems.

The assessment for Fiscal Year 2013-14 will include any delinquencies or overlooked assessments. Fiscal Year 2014-15 fire service assessments will also include all prior delinquencies for all parcels and will be collected on the same bill as for property taxes in November 2014, pursuant to the Uniform Collection Act.

Bills for the Fiscal Year 2013-14 Fire Service Assessments should be expected to arrive from the City in the mail in late March 2014. Please try to pay your bill promptly to avoid a delinquency balance being included on your tax bill for your property's share of the Fiscal Year 2014-15 fire protection service assessment.

The City does not intend to impose assessments against schools, governmentally-owned property, churches or similarly owned parcels, or on submerged or other parcels determined to be exempted. The costs of these exemptions are to be paid from legally available sources other than the special assessments.

This overview is intended to inform all constituents about the City's efforts to effectively budget and use a blend of legally available revenues to meet its fire service obligations, reduce costs, be efficient and continue to provide a reasonable level of service. The mission of the City's Fire Department is to stand ready to protect the lives and property of the community through exemplary fire education, prevention, suppression and associated emergency rescue services. This special assessment provides a supplemental and dedicated means to accomplish these responsibilities, and continue to meet the actuarial rating requirements of the ISO, keep insurance rates reasonable, and to serve as a tax equity tool for doing so.

Thank you for learning more about how the City is handling this budget matter.